

Summary of the January 13, 2003 System Leadership Council Meeting

The following Council members attended this meeting.

Janet Areson	James L. Evans, M.D.	James S. Reinhard, M.D.
Mary Ann Bergeron	Paul R. Gilding	Julie A. Stanley, J.D.
H. Lynn Chenault	Larry L. Latham, Ph.D.	James W. Stewart, III
Charline A. Davidson	Jules J. Modlinks, Ph.D.	Frank L. Tetrick, III
Gerald E. Deans	George W. Pratt, Ed.D.	James A. Thur, M.P.H.
Judy Dudley	Raymond R. Ratke	Joy Yeh, Ph.D.

Martha Adams and Shirley Ricks also attended this meeting to discuss Part C (IDEA).

- 1. Agenda and Meeting Summary:** The Council accepted the summary of its December 2, 2002 meeting and adopted the agenda as proposed for this meeting, with the addition of three topics, Debt Off-Set Changes in Central Office, Amount of Time Record Keeping Takes, and Implications of the Virginia Information Technology Agency.
- 2. Debt Off-Set Changes in the Central Office of the Department:** Joy Yeh told the Council that FY 2002 debt off-set claims totaled about \$1 million, but actual collections amounted to \$526,000 for all 40 CSBs.
 - Joy Yeh indicated that the Department obtained an agreement from the Department of Taxation that CSBs can send claims directly to that department, rather than having to process claims through a local government (the previous understanding). She agreed to distribute this information in writing to CSBs. She noted that her staff was meeting with the VACSB Administration Committee about this next week, and she said that she thought direct CSB claims to the Department of Taxation could work.
 - Lynn Chenault asked if one local government could submit claims for other local governments; Joy Yeh said it could. Jim Thur asked if there was any priority for the order in which the Department of Taxation processed claims, for example between state agencies and CSBs. Joy Yeh indicated that state agency claims were processed first.
- 3. Reinvestment and Regional Proposals Update:** Ray Ratke updated the Council, based on his contacts with the field. He expressed the Department's appreciation for the work being done in the regions on reinvestment. He observed that planning is continuing and everyone appears to be committed to making the regional projects succeed. He mentioned that he was very encouraged by his meeting with the Region 5 CSBs in the previous week.
 - Ray Ratke noted that we are still catching up from a process perspective. The Department wants to set up brief regional meetings to discuss (1) including other stakeholders, (2) the format of final regional reinvestment plans, (3) the relationship between reinvestment and restructuring, and (4) the need for status reports. Initial implementation plans need to be completed by late March, 2003.
 - Mary Ann Bergeron reported that the Region 5 CSB Council developed proposed additional budget language that (1) makes it clear that the reinvestment projects do not shift financial responsibility to local governments, (2) requires annual reports to the General Assembly money committees about acute care bed costs and unexpended fund balances, and (3) provides for an evaluation process for each project. She distributed the proposed language and noted that Delegate Hamilton and Senator Wampler will sponsor the budget amendments. Ray Ratke expressed a concern that the second paragraph in the proposed language focuses on local inpatient bed purchases, but that is not the focus of all reinvestment projects.
 - Jerry Deans asked if the VACSB was requesting bridge funding for reinvestment projects; Mary Ann Bergeron said it was not. She noted that the VACSB was requesting \$4 million of ongoing funds to serve 200 consumers; she noted that bridge funding would be one-time money.

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- Janet Areson expressed local governments' appreciation for the proposed additional budget language and asked if the VACSB was collecting information about local acute inpatient bed availability. Mary Ann Bergeron indicated the VACSB was gathering such information.
- Jim Reinhard observed that the Department received only five proposals from the seven regions identified for the reinvestment projects: Regions 1, 2, 4, and 5 and Region 3, which was divided into three sub-regions around state mental health facilities in southwest Virginia – Southwestern Virginia Mental Health Institute (that sub-region submitted a proposal), Catawba Hospital, and Southern Virginia Mental Health Institute (SVMHI).
- Jules Modlinski commented that the SVMHI sub-region apparently lacked the initiative to submit a proposal. Ray Ratke noted that Lenard Lackey and Jim Tobin were meeting with Department staff next week. Jules Modlinski asked if the other two regions could be included in this language. Ray Ratke responded that this language amends the FY 2004 budget, but the other regions could submit proposals for the FY 2005 budget for consideration next year.
- Jerry Deans noted that we are drawing a distinction between the reinvestment projects and restructuring activities because of stakeholder concerns about their lack of involvement to date. He observed that reinvestment is a subset of restructuring.
- Jim Reinhard asked Council members for some guidance on the issue of more stakeholder involvement in reinvestment planning. Jim Stewart responded that Region 4 established a steering committee that includes private hospitals and advocates; it will oversee reinvestment projects but not be involved in planning them. Ray Ratke emphasized that we need some way to obtain stakeholder input into reinvestment plans. Mary Ann Bergeron said Region 5 will involve local Alliance for the Mentally Ill chapters and the Region 3 project is being developed by the Southwestern Virginia Mental Health Board, which includes advocates.
- Jim Thur suggested that there are some semantic problems in understanding the relationships among reinvestment, restructuring, and the House Bill (HB) 995 process. He noted that, since the region's reinvestment project is planned for FY 2005, Region 2 has incorporated it into its regional partnership (restructuring) process.
- Frank Tetrick noted that the Region 5 proposal (the 86 bed closure of Eastern State Hospital's acute admissions unit) looks like restructuring, and this has led to some confusion. George Pratt observed that everyone (local Alliances for the Mentally Ill, police and sheriff departments, and private providers) is supportive of the Region 5 proposal. However, he noted that some people view HB 995 as a state facility protection measure.
- George Pratt indicated that it would be helpful to define, describe, and distinguish between reinvestment, restructuring, and HB 995. Frank Tetrick noted that reinvestment is one activity under the general concept of restructuring, with five different ways of doing reinvestment in the plans. He said that a structure needs to be in place that shows we are monitoring reinvestment projects within the overall restructuring process.
- Jules Modlinski observed that the man on the street does not understand the difference between reinvestment and restructuring, and he asked the Department to produce a planning process document that would ensure there will be common parameters across the five or seven regions for reinvestment, with reasonable regional or local variations. Subsequently, the Department issued such a document.
- Ray Ratke responded that restructuring is broader than HB 995; the latter involves only completely closing a state facility or converting it to another use. The restructuring process stops short of state facility closure or conversion to another use, but it could lead to those alternatives through use of the HB 995 process. Jerry Deans noted that it is important for the Department to communicate these distinctions and clarifications to the field to avoid more confusion. Ray Ratke agreed that the Department would communicate this information to the field.

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- Frank Tetrick told the Council that the VACSB has established an ad hoc work group on outcomes. He suggested that the regional reinvestment projects need to be able to demonstrate their effectiveness. For example, what will the indicators of success be for the regional reinvestment projects?
- Charline Davidson asked regional representatives to share key concerns about the projects. Janet Areson indicated that there were some concerns about costs to jails, especially for medications, related to the Region 4 proposals to close state facility beds and divert forensic patients to localities. Larry Latham responded that it was too early to worry about this; the region has not had its first meeting to flesh out this proposal. Jim Stewart indicated that, of the three projects in Region 4's proposal, the forensic project will require the greatest collaboration with sheriffs and courts, and it will be developed only with stakeholder participation. He said Larry Latham and George Braunstein are co-chairing this group. Ray Ratke noted that, in meeting with each region, the Department is encouraging collaboration with and involvement of other stakeholders to the greatest extent possible.

4. State Pharmacy Update: Jim Evans noted that the Subcommittee decided, at its last meeting on December 4, to meet on January 15 for the first of a series of meetings to discuss (1) a unified formulary, (2) a preferred drug list (PDL), and (3) allocation of the budget for medications. The Subcommittee has expanded to include more clinical representatives. He informed the Council that the State Pharmacy is slightly under or even with projected expenses overall to date.

- He indicated that the Joint Audit and Review Commission has recommended that DMAS develop a PDL and the Department will be collaborating with DMAS on it. Annual savings of \$18 million in state funds (plus the same amount in federal Medicaid fees) are being projected for a PDL. He mentioned that the pharmacy industry is opposed to a PDL and will fight it in court if necessary. Apparently, it is now suing in Michigan and Florida.
- Mary Ann Bergeron indicated that this is a hot issue. The Senate Finance Human Resources Subcommittee is meeting this afternoon, and the VACSB will urge (1) a narrow exemption or carve out for medications prescribed by psychiatrists, (2) physician education about a PDL, (3) possible use of prescribing protocols, and (4) application of the same CSB strategies across all of Medicaid, including HMOs (NACBHD principles).
- Jim Reinhard noted that a California presentation asserts that PDLs do not work for psychotropic medications; it recommends focusing on mono-drug therapies. Mary Ann Bergeron indicated that the proposed budget language on a PDL requires DMAS to work with the Department on developing the list. Ray Ratke said that initial discussions with the Secretary of Health and Human Resources including grandfathering current consumers.

5. Substance Abuse Federal Block Grant Maintenance of Effort Requirements

- Ray Ratke indicated that, due to CSB budget reductions, there is a potential substance abuse maintenance of effort (MOE) problem that could result in a loss of \$2 million in federal block grant funds in FY 2004.
- MOE is computed based on a two year average. MOE is based on the Department's allocations of state funds to CSBs, which reflect CSB budget reduction plans.
- He indicated that the Department is hearing mixed messages about the possibility of a waiver of MOE requirements from the federal government. Two waiver criteria are a one percent increase in unemployment and a one and one half percent decrease in revenues. Virginia meets the second criteria but not the first. Reportedly, 25 states are experiencing MOE problems. He stated that Virginia will apply for a waiver, even if our chances may not be good of receiving it.

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- Mary Ann Bergeron noted that the VACSB is requesting \$2 million of substance abuse state general funds for jail-based programs in FY 2003 and FY 2004, which could address the MOE problem. Joy Yeh indicated that House Appropriations and Senate Finance Committee staffs are aware of the MOE problem and the waiver criteria.
 - Subsequently, the General Assembly passed a budget that provides \$2 million in FY 2003 that is earmarked for substance abuse MOE. Thus, an MOE waiver was not requested from the federal government. However, the passed budget contains no additional substance abuse state general funds earmarked for MOE in FY 2004.
- 6. Part C Update:** Martha Adams updated the Council on the Part C program. The Department is recruiting for a new Part C Coordinator because Anne Lucas resigned after 13 years of service.
- The Department is the lead state agency for Part C. The Part C program has a complex interagency structure involving eight state agencies and the State Corporation Commission. This results in a complicated decision-making process. The interagency management team makes a lot of decisions. A CSB mental retardation director is being added to the team. The Department will ask for a nomination from the VACSB Mental Retardation Council. Jim Thur suggested that the request and the appointment should be processed through the Executive Directors Forum and the VACSB, rather than directly through the MR Council. Martha Adams agreed to do this.
 - Another part of the complex structure is the Virginia Interagency Coordinating Council (VICC), which is appointed by the Governor. There are 25 positions, but currently only 12 appointed members. Most of the new appointments are parents.
 - Martha Adams described the Department's efforts to reduce paperwork and processes associated with Part C. The Department has reduced the reportable items in the Part C information system (MIMS) from 160 to 70 items and is continuing to look at additional reductions. The Department is also considering standardizing the services children receive in order to reduce the current wide variations in service patterns across the state. The Department also is seeking Medicaid coverage for Part C case management.
 - Shirley Ricks noted that the Governor has made Part C a priority; he wants 20 percent more children served through Part C. Last year, 7,000 children received services, a 55 percent increase from 1996.
 - She indicated that currently Part C is funded by \$125,000 of earmarked state general funds in the Department's budget, \$1 million from the Department of Social Services, and \$9.5 million of federal Part C funds. The \$4 million of state general funds historically expended by CSBs for early intervention (Part C) services had declined to \$3.1 million by FY 2000, the last year for which specific CSB Part C expenditures are available. Since then, the amount has probably declined even further, due to the need for Medicaid match and the effect of budget cuts.
 - An additional \$2.9 million of federal Part C funds were made available to support continued Part C services, of which \$2.5 million has been allocated to date. Also, there are \$6 million of unobligated federal Part C funds available, but only for one-time expenses, since these are not ongoing funds but the accumulation of unexpended funds over the years. Federal MOE and non-supplantation requirements also present difficult and complex issues that need to be addressed. Finally, she indicated that the Local Interagency Coordinating Councils have until March 31, 2003 to apply for additional Part C funds.
 - Jim Thur noted that this is a major system issue that needs to be addressed expeditiously. Ray Ratke suggested scheduling a block of time at the next Council meeting and researching several issues beforehand for discussion at the meeting.

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- Jim Stewart agreed and asked George Pratt to schedule a major presentation on Part C at the next Executive Directors Forum meeting on March 18, so that all Executive Directors can understand the Part C issues. He indicated that we need to get beyond the MOE issue. He suggested that it is incumbent on the Department to simplify Part C.
- George Pratt agreed to schedule the presentation. He indicated that Part C was a huge issue in Tidewater. He suggested discussing Part C at the January Executive Directors Forum (part of the VACSB legislative conference). He stated that not using the \$6 million of unobligated federal Part C funds because of MOE concerns was a travesty. Mary Ann Bergeron noted that the VACSB is requesting a budget amendment for \$1 million for Part C services, to address low fee payments and increased demand for services. Subsequently, the General Assembly failed to add these funds to the budget for Part C.
- Jim Stewart suggested a small conference call among a few Executive Directors, Mental Retardation Directors, and Department staff to discuss this presentation. Subsequently, Martha Adams and Shirley Ricks gave a Part C Power Point presentation, open to all attendees, at the VACSB Conference on January 21, 2003.

7. FY 2004 Performance Contract Update: Paul Gilding reported that the exposure drafts of the contract, the partnership agreement, and the general requirements document were e-mailed to CSBs, state facilities, the State Board, and advocates on December 31, 2002, and they were placed on the Department's web site in early January for the statutorily-mandated 60 day review and public comment period. He asked that comments be sent to the Department earlier than the March 3 deadline, if possible.

8. Amount of Time Record Keeping Takes

- Jim Stewart discussed the increasing amount of time that line staff spend on record keeping. He indicated that his staff spend 20 to 40 percent of their time on record keeping. He suggested that this increase has been driven by multiple factors, including the increasing scope of mandates such as Medicaid and licensing and the growth of caseloads.
- He noted that George Pratt's December letter and the Commissioner's response focused on administrative streamlining rather than on clinical staff workload. While we have achieved notable successes in administrative streamlining and need to do more, the system has never focused on workload from the clinical/direct service staff perspective.
- He suggested that, because this is a problem across the services system, this issue needs to be examined from statewide perspective. He proposed that this effort start with an analysis of the problem in the field, looking from the record up rather than from data requirements down. He noted that we have done the latter with some success, having significantly reduced data reporting requirements. He emphasized that the issue he was describing arose not from data reporting requirements but from tremendous expansion in clinical/service record documentation requirements. Jerry Deans noted that he is hearing the same concern from state facilities.
- Jim Stewart suggested assembling a Central Office, CSB, and State Facility team, including program and medical records staff and private sector representatives, to look at this issue. He urged the Commissioner to appoint a small group to bring back a plan to the Council on how to address this issue. He suggested this group consist of 10 people: two from the Central Office (one at a fairly high level), three from state facilities, four from CSBs, and one from DMAS. The purpose of this effort ultimately would be to reduce the amount of time direct service staff spend logging data and documenting activity about consumers from admission to discharge.
- Charline Davidson observed that this was a good time for such an activity, given HIPAA requirements that will take effect in April.

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- Lynn Chenault agreed, noting that his CSB has had an internal paperwork reduction group in place for years and has discovered that we are sometimes our own worst enemies locally. He also agreed that a statewide approach is needed. Jim Stewart agreed that we often complicate things for ourselves, but this is often done in response to trying to respond to external demands.
- It was suggested that this effort also needed to include DMAS and DSS eligibility requirements.
- George Pratt expressed the hope that this could be touted as a huge efficiency measure. If we could standardize some requirements between the Department and DMAS, this would have a major impact. He indicated that we also need to be able to identify the cost of additional information requirements. Jim Stewart observed that we may discover that the loss of services resulting from increased information demands outweighs the value of the additional information.
- Frank Tetrick suggested that the issue of what information a payer can require also will have to be addressed. George Pratt noted that his staff complete a half page intake for Sentara Medallion II (HMO) consumers but 12 pages of information if the person is a CSB consumer. Jules Modlinski stated that the private sector requires only half of what the public sector requires for paperwork.
- Jim Reinhard suggested that, in an era of increasing litigation with a growing focus on reducing clinical errors, it will be interesting to see if we can achieve this goal.
- Julie Stanley asked for clarification concerning whether this activity was in addition to, or could be merged with, the group being set up to review regulatory burdens as a result of George Pratt's October 1 letter. The consensus was that these were separate activities.

9. Implications of the Virginia Information Technology Agency (VITA): Dave Burhop, the Department's Chief Information Officer and Director of the Office of Information Technology Services, is the lead representative for the Health and Human Resources Secretariat on VITA.

- Larry Latham mentioned that he attended a briefing on VITA at Central State Hospital last week and he was concerned. He has been through similar processes in other states and there never seems to be a recognition that our services are not 9 – 5 operations. It appears that the state facilities will give up all of their IT resources to VITA and then be charged for help from VITA. There appears to be no separate division within VITA for our services. He noted that JCAHCO requires true outcome systems, and he wondered whether he would be able to get the necessary support from VITA to meet this requirement. He suggested that, as VITA legislation is discussed in the General Assembly, our system's unique needs need to be recognized and addressed.
- Joy Yeh indicated that the Secretary of Technology understands these concerns. Each agency will sign a service agreement with VITA and can negotiate with VITA to address its needs. The Governor is committed to having VITA meet individual agency needs.
- Ray Ratke noted that Dave Burhop also has been expressing these concerns. The group agreed that VITA should be on the agenda for its next meeting.

10. Virginia Office of Protection and Advocacy: Julie Stanley announced that Heidi Lawyer, the acting VOPA Director, has been appointed as the new Executive Director for the Board for People with Disabilities. Jonathan Martinis is now the acting VOPA Executive Director. Subsequently, Colleen Miller was recently appointed as the new Executive Director of VOPA and will begin on April 1.

11. Next Meeting: The group decided its next meeting would be on March 10 at Henrico CSB from 9:30 a.m. to noon. ***Subsequently, this meeting was rescheduled to March 17 at Hanover CSB from 9:00 a.m. to noon.***